



FACTORS INFLUENCING STUDENT'S DECISION IN SELECTION OF A RIGHT BUSINESS SCHOOL - AN EMPIRICAL INVESTIGATION

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ABSTRACT

Education is the main indicator of social, cultural and economic growth of any nation. It is among the major drivers behind the strong foundation of a society. Education has always been an important source for helping the community out for their financial misery and ensuring candidate's employability. The contribution of higher education in facilitating the overall development of country is well appreciated by all countries. Management is a branch of knowledge that is a unique combination of theory and application and being a professional degree it is accepted all around the world. This research aimed at understanding the latest trend in management education with respect to student's preference. It also aimed at studying the different factors affecting the selection of best B-School. The researchers tried to discover how far, parameters like past placement and internship, total cost on the program, ranking of the college/university/institute, word of mouth and other promotional activities, profile of faculties and other extra-curricular activities contribute to their selection.

The present study was taken up with an objective to measure student's perception on the antecedents of management institutes and to assess their selection criteria. The main objective of this study was to evaluate the impact of the above mentioned variables on student's opinion in selecting the best management institution.

KEY WORDS: MBA, Placements, Admission, Selection Decision, Specialization, Infrastructure.

1. INTRODUCTION:

The study was an attempt to examine different management colleges and institutions and what major factors or attributes are considered in selecting the right business school. This paper is based on primary data collected through a self-constructed questionnaire. The samples were drawn from the population of 105 respondents, who are seeking admissions in MBA program these students are from various graduate courses of reputed universities from various states in India. The study was carried out in three major States (Delhi, Haryana, and Uttar Pradesh). The data was also analyzed using t-test, ANOVA and weighted score method using SPSS.

The findings of this research paper revealed that infrastructure, placement facilities, experienced teachers and specialization options have a significance role in influencing their admission decisions. The present study attempts to assess the determinants affecting student's choice in selection the best B-School in three major cities of Delhi & NCR (Haryana, Uttar Pradesh and Delhi). The study is mainly based on primary sources of data. The study implies data collection method from the students of few reputed universities at Delhi & NCR. The data is collected using a self-administered questionnaire. The population for this study is final year graduate students. The sample size for the study is 105 respondents.

The survey is based on questionnaire to guide the impact of student's demographics. Further descriptive statistics were used to predict the relationship between student's demographics and their perception in selecting a MBA institute. This study will help educators to know about expectations and perception of future aspirants and image of their brand in the market. It can be used to understand about the latest trend and practices that help educational policy makers to offer better career options to their students. This study will provide significant information necessary to the management of various institutions of higher learning to help in planning the strategies to increase the number of student's different specializations in their institutions.

2. LITERATURE REVIEW:

To formulate the research problem scientifically, and to point out the importance of undertaking this study, it is essential to present a brief review of researches undertaken in this area. Although the review involved a large number of studies but only those studies which have a direct and important bearing on the present study have been reported here. Numerous researchers and experts have attempted to determine what factors do influence student preference in selection of right MBA institute. Many of these researchers considered demographics and social-cultural as most impactful factors.

Thomas and Peck (2010), called the shift from traditional MBA programs to specialized programs a trend, saying these specialized programs are tailored to fit the individual student's needs rather than a one-size-fits-all- MBA. Carrel and Schoenbachler (2001), examined the "decision considerations" for students choosing to study in an Executive MBA program as well as the considerations sponsoring companies use when deciding to financially support employees pursuing an executive degree.

Carrel and Schoenbachler (2001), examined the "decision considerations" for students choosing to study in an Executive MBA program as well as the considerations sponsoring companies use when deciding to financially support employees pursuing an executive degree. Classifying these considerations as personal, academic, financial, or "other," the scholars found that the most important decision factor for students was the need for new knowledge (designated as a personal consideration), followed closely by the convenience and flexible scheduling of classes (categorized as an "other" consideration). Their findings indicated that students are interested in programs that enhance their on-the-job performance and do not interfere with work schedules.

The research conducted by Dennis Zocco (2011), clearly exhibits that while selecting field of specialization, students generally focus on the subject matter, professor, course environment and grading. His research interrogated and found out those important factors which play an important role in student's selection of specialization in MBA. These factors are students own interest, friends' opinion, numerical approach, theoretical approach, specialization scope, nature of specialization, financial interest, faculty, professor opinion and physical attributes. The research findings shows that own interest is important perception of students at the time of selection of specialization in MBA.

Heslop and Nadeau (2010), surveyed MBA fair attendees to determine what important factors they used to determine whether or not to pursue the degree and what were the important qualities they used in determining the school at which they chose to study. They found that the primary decision factors included financial cost, investment of time, career uncertainty, future job opportunity, and an expressed interest in learning.

According to Powell (2010), also determined that job security works as a major driver in selecting specialization field. In the support of the same Lowe and Simons (1997) also mentioned that the most important factors influencing the choice of major and minor MBA selection are earnings, career options, initial earnings, and ability/aptitude.

According to Rapert et al. (2004), students prefer to divide the major determinants into two categories "in-class" and "outside-class" environments. According to Main, J. & Ost, B. (2011), societies have marked a shift from conventional inclination for career in medicine and engineering education towards banking, finance, human resource management, supply chain or accounting etc.

In the light of the above literature, the present study proposes that there is likelihood that the demographic profile of students would have a major impact on their selection choices for right B-Schools for them. The study starts with reporting the perceptual data gathered from graduate students. Student's perception with reference to different factors has been observed with the help of different hypothesis.

3. OBJECTIVES:

The following are the objectives of the present study:

1. To Study the impact of institution ranking in selecting the business school.
2. To study the impact of word of mouth or other promotional material in selecting the business school.
3. To study the impact of infrastructure, specialization offered and teaching learning process in selection of business school.
4. To study the impact of net cost spent on the MBA program.
5. To study the impact of past placements and internship before selecting the MBA Program.

4. HYPOTHESIS

In order to know the significant difference between a good business school and students selection criteria based on various demographic variables, following hypothesis have been tested:

1. There exists a significant relationship between net cost spent on MBA and Family income.
2. There is significant relationship between past placement records and in selection of business school.
3. There is a significant relationship between word of mouth, other promotional activities.
4. There is a significant relationship between institute ranking and selection of business school.
5. There is a significant relationship between institute's infrastructure, specialization offered and teaching learning process in selection of business school.

5. RESEARCH METHODOLOGY:

The population of the present study consists of 105 respondents, who are seeking admissions in MBA program these students are from various graduate courses of reputed universities of Haryana.

The rationale behind only one state was to minimize the impact of variables other than those considered in the study (like general facilities, campus culture and climate, management policies and other practices etc). The data was gathered with the help of Convenience sampling method. 150 students were contacted and asked to participate in the survey and the questionnaire was handed over to them manually. From the target sample, 105 (N= 105) of them responded and returned the questionnaire. The questionnaire was suitably designed and self administered. There were 20 questions in the questionnaire excluding demographic details such as age, gender, specializations, qualification, family income and occupation. Likert scale (five point) was used with the options strongly agree, agree, neutral, disagree and strongly disagree. Weightage assigned were 1 for strongly disagree, 2 for disagree, 3 for neither agree nor disagree, 4 for agree and 5 for strongly agree. Split Half Test was applied with the help of SPSS-19 to know the reliability and validity of collecting data. After dividing the data into two equal halves, it was observed that means of both the halves were not different. This implies that the data are random and it may be reliable and validated for the further research. In order to test the various hypotheses independent sample t-test and ANOVA were used.

6. RESULT AND ANALYSIS:

This part of the study presented the findings, after application of procedures, data collection and data analysis. The results and analysis of the study are presented as follows with regard to the objectives and hypothesis of the study.

Demographic profile of participants:

The first part of survey questionnaire gathered information about the demographic profile of the respondents which included age, gender, specializations, qualification, family income and occupation etc. Out of 150 respondents, 76 percent were male and 24 percent were female. By looking at their father's occupation, 69 percent of respondents parents are from service class and 31 percent were from the self running business. Regarding the age of respondents, 51 percent fell in the age category of 21-23 years old, 32 percent fell in the category of between 18-20 years old, 11 percent fell in the category of between 24-26 years old. In addition, 52 percent of respondents have given MAT qualifying exam and 16 percent have cleared CAT exam. Table 1 below shows respondents demographic characteristics in detail.

Table 1: Demographic Details of Respondents

Demographic Variables		Numbers	Percentage
Age	18 - 20 Yrs	34	31.2%
	21 – 23 Yrs.	59	49.5%
	24 – 26 Yrs.	5	46%
	26 & Above Yrs	12	11%
Gender	Male	80	75.4%
	Female	25	24.6%
Income	Rs.50000/= pm	26	18.3%
	Rs.60000/= pm	38	34.9%
	Rs.70000/= pm	23	21.1%
	Rs.80000/= pm	12	11%
	Rs.100000 & above	12	11%
Parent's Occupation	Service class	71	67.8%
	Self Employed	34	31.2%
Qualifying Exam	CAT	16	14.7%
	CMAT	17	15.6%
	XAT	11	10.1%
	MAT	56	51.4%
	Others	5	4.6%

Hypothesis and Evaluation:**H₁: There exists a significant relationship between net cost spent on MBA and Family income.**

In order to test above hypothesis, one way ANOVA test was carried out to know that whether there exists any significant difference between net cost spent on MBA and Family income. Respondents were categories into five income groups, i.e. 50000/- pm, 60000/- pm, 70000/- pm, 80000/- pm and 100000/- & above. ANOVA results show that $p = .000 < 0.05$. Hence, Alternate hypothesis is accepted. This indicates that there is a relationship between net cost spent on MBA and Family income. This result proves that family income and total cost of doing MBA both are positively related with each other.

H₂: There is significant relationship between past placement & internship records in selection of business school.

In order to test above hypothesis independent sample t-test was carried out to know that whether there exists any significant difference between MBA's past placement records among male and female candidates in selection. t- test results show that $p = 0.378 > 0.05$. Hence, Null hypothesis is accepted. This indicates that there is no significant relationship exists between MBA's past placement records among male and female candidates in institute's selection. Also, $M_{\text{Male}} = 3.04$ and $M_{\text{Female}} = 3.32$ which are almost equal. This result proves that all male and female consider MBA past placement record an important criterion in selection of an institute.

H₃: There is a significant relationship between word of mouth & other promotional activities in Selection of MBA institute

One way ANOVA test was carried out to know that whether there exists any significant difference between words of mouth and other promotional activities in selection of MBA institute. Significant ANOVA result shows that $p = 0.000 < 0.05$. Hence, Null hypothesis is rejected. This indicates that there is a significant difference between words of mouth and other promotional activities in selection of MBA institute. This result indicates that all students belonging to any age, income group and gender categories consider advertising and promotional activities important criteria of MBA institute selection.

H₄: There is a significant relationship between institute's ranking and selection of business school.

Independent sample t- test was applied to know whether there is any significant relationship between institute ranking and gender of male and female students. t- test results show that $p = 0.630 > 0.05$. Hence, Null hypothesis is accepted. This indicates that there is no significant relationship exists between institute ranking and gender of male and female students. This result is also supported by the mean scores of married and unmarried employee perception ($M_{\text{Male}} = 2.68$ and $M_{\text{Female}} = 3.04$). Both male and female, graduate of any streams, belong to any age group do not give much importance to institute ranking before selecting an institute.

H₅: There is a significant relationship between institute's infrastructure, specialization offered and teaching learning process in selection of business school.

In order to know the significant difference between institute's infrastructure, specialization offered and teaching learning process in selection of

business school, t-test was applied. Significant t-test result ($p = 0.000 < 0.05$) shows that there is a significant difference of student's perception regarding institute selection and other facilities offered. This indicates that students of all categories are holding positive perception regarding institute's infrastructure, specialization offered and teaching learning process in selection of business school.

It has been observed and also proved by the results of the study that students of all categories based on age, gender, occupation, streams and income consider these factors important in selection of a management institute.

Table 2: Mean score of factors that determine the selection of institute

Factors	Mean Score
Institute's Ranking	2.76
Experienced Faculty Profile	2.41
Infrastructure and other facilities	3.28
Advertisement & other promotional activities	2.93
Total Cost / Cost of living	3.17
Location	2.93
Specialization offered	2.98
Social status of Institute	3.07
Campus Life	2.66
Teaching Learning Process	3.70
Industry Tie-ups	2.67
Past Placement & Internship record	2.10

According to the survey, among all factors students rated past placement & internship record the most influencing among others. The second highest influencing factors from student's perspective are experienced faculty, specialization offered, campus life and branding activities taken up by MBA institutes. The least influencing factors from student's perspective are total cost on MBA programme, teaching learning process, social status and infrastructure. Promotional activities, advertisement and geographic location are given the same ranking in selection of a MBA institute.

7. CONCLUSION:

This study was conducted to explore student's perceptions regarding different factors that play an important role in the selection of an MBA institute under study. The results of the present study revealed that student give most value to past placement records, basic facilities, infrastructure and experienced faculty in the selection of a MBA program. Moreover, the results showed that there is a significant difference in student's selection of MBA institute with respect to different factors, i.e. specialization offered, experienced faculty, teaching learning process, word of mouth, advertisements and branding. It has been observed also that the universities under study are attributed to good campus life, industries tie ups, university social image, alumni support, teaching learning pedagogy, and effective experiential learning and students friendly policies. These mentioned attributes of the universities are main factors among the interesting results of the current study.

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